

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
DIVISION OF JUDGES

GEORGIA-PACIFIC CORPORATION

and

Case 13-CA-34827

BUILDING MATERIAL, LUMBER, BOX
SHAVING, ROOFING AND INSULATING
CHAUFFEURS, TEAMSTERS, WAREHOUSEMEN
AND HELPERS, AND RELATED INDUSTRY
EMPLOYEES UNION LOCAL 786

Valerie Ortique-Barnett, Esq., of Chicago,
IL, for the General Counsel.
Gary L. Melampy, Esq., of Atlanta, GA,
for Respondent.
Anthony Pinelli, Esq., of Chicago, IL,
for the Charging Party.

DECISION

Statement of the Case

JOHN H. WEST, Administrative Law Judge: A charge was filed on January 7, 1997, by Building Material, Lumber, Box Shaving, Roofing and Insulating Chauffeurs, Teamsters, Warehousemen and Helpers, and Related Industry Employees Union Local 786. It was amended on March 7, 1997, June 2, 1997, and July 10, 1997. On July 10, 1997, a complaint was issued and, as amended on October 27, 1997, it alleges that Georgia-Pacific Corporation violated Sections 8(a)(1) and 8(a)(1) and (5) of the National Labor Relations Act, as amended (Act), collectively, by orally promulgating and maintaining a rule prohibiting employees from discussing the Union, distributing union literature, or engaging in any union activities at any time on company premises and subjecting employees to unspecified discipline for violations of said rule, by failing and refusing to recognize and bargain with the Union, as requested by the Union, as the exclusive collective bargaining representative of the involved unit, by, without the Union's consent, repudiating and failing to continue in effect all of the terms and conditions of employment of the unit in the collective bargaining agreement it had with the Union which was to remain in effect until May 31, 1997, and by implementing various changes in terms and conditions of employment for unit employees. Respondent denies violating the Act as alleged.

A hearing was held on November 5 and 6, 1997, in Chicago, Illinois. Upon the record, including the demeanor of the witnesses, and after due consideration of the briefs filed by Counsel for General Counsel, Respondent and the Charging Party, I make the following:

Findings of Fact

Jurisdiction

Respondent, a corporation with an office and place of business in University Park, Illinois, is engaged in the business of selling building materials. The complaint alleges, the Respondent admits, and I find that at all times material herein, Respondent has been an employer engaged in commerce within the meaning of Section 2(2), (6) and (7) of the Act, and the Union has been a labor organization within the meaning of Section 2(5) of the Act.

Facts

Donald Crowley worked for Respondent at its Harvey, Michigan facility for about 10 years. He has been a member of the Union for about 23 years and he had been a Union steward since November 1996, representing 18 employees at the Harvey facility under a collective bargaining agreement between the Respondent and the Union. The agreement was effective from June 1, 1994, through May 31, 1997, General Counsel's Exhibit 2, and it covered Respondent's Harvey and Elgin, Illinois facilities.

According to the testimony of Crowley, there was a meeting of the Harvey facility employees in the winter of 1994 or the early Spring of 1994. Crowley testified that his branch manager, Mike Ferguson, conducted the meeting at the Holiday Inn across the street from the facility; that the meeting was held during work time; that at this meeting he first learned that Respondent planned to close its Harvey operations; that before he left the Harvey facility in early spring 1996, Ferguson conducted an additional two or three meetings to discuss the Respondent's plans with respect to closing the Harvey facility; that at the first meeting Ferguson told the employees that the company was planning to restructure its distribution division, down size and close several smaller facilities and open one larger facility to "handle the areas"; that during the first meeting he asked Ferguson what was the Company's intent with respect to the collective bargaining agreement the Union had with Respondent and Ferguson said that it was Georgia Pacific's intention to honor the existing labor agreement; that Ferguson provided written information to the employees concerning Respondent's decision to restructure operations, General Counsel's Exhibit 3; that at one of the meetings Ferguson said that all employees were guaranteed jobs with Respondent should the employees want them; that at a later meeting in March 1996 the Harvey employees were told that they would have to fill out applications for positions at the University Park facility and Crowley received an application from his supervisor at the Harvey facility, Bud Bewaldo; that, after discussing the matter with the Union he completed the application and submitted it to Respondent before the deadline on April 1, 1996; that he applied for the position of fork lift operator or material handler, which was the same position he had at Harvey; that he did not have an interview for the position at University Park; that the manager of the University Park facility, Kim

McCubbin, answered, at the Harvey facility about one week after Crowley submitted his application, "Technically, yes" to Crowley's question, namely "since we officially became the Triad April 1, 1996, and we all have filled out applications for positions at the Triad, and we are, in fact, still working here [at Harvey] after April 1, 1996, are we not already employees of the Triad"; that between April and December 1996 Bill Patton, who is in Respondent's human resources manager, and McCubbin held additional meetings to discuss Respondent's plans to restructure operations and close the Harvey facility; that at one such meeting held on November 4, 1996, Patton said that the University Park facility was going to be the Triad and it would be opening as a non-union facility; that when material handler Doug Stassen indicated that Ferguson previously said that their contract would be honored, Patton said that Ferguson should not have said that; that also at the November 4, 1996, meeting the subject of hourly wages was discussed and it was indicated that the top pay for new employees would be \$14.40 but the Harvey employees, who were earning \$15.97 at the time, would be redlined at that figure; and that Patton indicated that the University Park facility was anticipated to open in January 1997.

On September 12, 1996, Respondent met with representatives of Local 786 at the Marriott O'Hare. Present for the Union were Walter Hoff, its president, attorney Tony Pinelli, Union trustees D'Amico and Lou Mazzei. Respondent was represented by McCubbin, who was going to be the Triad manager, Patton, Silvas, who is in human relations, and Harrington, who allegedly is Respondent's vice president. Harrington told the Union representatives that Respondent was going to have a new facility at University Park and Respondent did not believe that the existing contract would be valid. Mazzei, who became president of Local 786 on December 1, 1996, testified that Hoff said that under Article XX of the collective bargaining agreement the terms of the contract should apply at University Park; that Harrington said that Respondent's attorney would be in touch with the Union's attorney regarding Article XX; that Harrington stated that he did not have a problem with unions but he wanted one union and he stated that the Teamsters should go for everything; that Hoff told Harrington that there was no way that the Teamsters would infringe on another craft's jobs; and that the Teamsters and the Laborers both represented groups of employees at the Harvey and Elgin facilities.

Darren Zettek, who was a truck driver at Respondent's Harvey facility and a member of the Union, testified that in October or November 1996 he first learned that Respondent was closing the Harvey facility; that Patton came to the Harvey facility and explained that the Harvey facility was going to be closed and there was going to be a relocation, the pay rate would be carried over to the new facility, and the employees could transfer to the new facility; and that Respondent's other supervisors present were McCubbin and Bewaldo.

By letter dated November 5, 1996, General Counsel's Exhibit 7, Respondent's law department advised the Union that nothing in Article XX requires or allows Respondent to extend its labor

contract with Local 786 to the University Park Triad, and Respondent remains ready to engage in effects bargaining and to resolve any impediment to a facility shut-down agreement covering employees represented by Local 786.

In early December 1996 Crowley received a written notice that he would be employed at the University Park facility from Patton during a meeting at the Harvey facility, General Counsel's Exhibit 4. The "Hourly Position Job Offer" indicates "we are pleased to offer you a continuing position as Material Handler at the new University Park Triad facility." Crowley testified that other subjects discussed at this employee meeting included University Park opening on January 13, 1997, and the Harvey facility closing sometime in March.

On December 10, 1996, the representatives of Respondent and the Union met at the Holiday Inn in Harvey. Silvas, Patton and McCubbin represented Respondent. The Union was represented by Pinelli, Crowley, Yeager, who is the secretary/treasurer and business agent for Local 786, and Mazzei. Mazzei testified that Silvas presented the Union with a copy of a closure agreement and he indicated that for there to be a closure and relocation agreement, General Counsel's Exhibit 8, the Union would have to "disclaim" the existing collective bargaining agreement; that the Union advised Respondent that the Union would not even consider entering into the closure agreement since it had an existing contract with the Company; that the Company also gave the Union a copy of its employee relocation assistance policy benefits reimbursement agreement, General Counsel's Exhibit 9, and the Company indicated that for this agreement to become effective the Union would have to waive the collective bargaining agreement which was in existence; and that the Union told the Company that there was no way the Union would consider waiving the existing collective bargaining agreement. On cross-examination Mazzei testified that Silvas said at this meeting that Respondent would no longer honor its agreement with Local 786 at University Park.

The dues check-off records of Local 786 dated "12-17-96" were received as General Counsel's Exhibit 10(a) and (a). Their sponsor, Mazzei, testified that the documents are the billing from Local 786 to the Company for January, February and March 1997; that they cover Respondent's Harvey and Elgin facilities; that the subject of employee health and welfare is covered by the latest collective bargaining agreement between Local 786 and Respondent; that Respondent did not continue to make health and welfare contributions once employees relocated from Harvey and Elgin to University Park; and that Respondent did not continue to make pension contributions once the employees relocated from Harvey and Elgin to University Park.

For three to four weeks from December 1996 through January 1997 Crowley assisted in transferring equipment and inventory from Respondent's Harvey facility to its University Park facility. Crowley testified that 90 percent of Respondent's equipment and 99 percent of its inventory was transferred from Harvey to University Park; that on January 11, 1997, he allegedly was denied some overtime when supervisors performed some unit

work, and he and employee Joe Doyle filed a grievance, General Counsel's Exhibit 5; and that Patton paid him and Doyle for one hour's pay at overtime for the time that the supervisors spent at the facility.

Mangan, who as noted above is Respondent's director of human resources in its distribution division, testified that before October 1996 he was Respondent's manager for organizational effectiveness in the same division; that Respondent made the decision to reengineer and restructure its business because of growth, cost and the performance of its customers and suppliers; that previously Respondent had 133 inventory and delivery branches which were all separate profit and loss centers; that as pointed out on page 9 of Respondent's Exhibit 1, Respondent's new system will have 55 logistic centers instead of the 133 aforementioned branches; that Respondent moves inventory out of the centers faster than it did at its branches; that the consolidation or elimination of the large number of facilities in favor of the smaller number of facilities stocking larger quantities is designed to lower the inbound transportation costs because the movements will involve truckload instead of less-than-truckload and Respondent can use rail service inbound; that Respondent's sales force was reorganized so that instead of having a sales force at each of the 133 branches, its inside sales force is located at two of its centers, viz., Denver and Atlanta and its outside sales force spends all of their time in the field; that instead of 133 branches placing different orders with suppliers, Respondent now places one order with a supplier for all of its 55 plus centers; that prior to the reorganization the millwork centers were not combined with the distribution facilities and now the Triad contains a millwork center; that 69 of the 133 branches closed; that nine triads were built; and that other than Teamster Local 786 in this case, no other Teamster Local contended that it continued to represent employees that this Union had represented at a facility that closed when those employees were transferred to one of the new distribution facilities of Respondent. On cross-examination Mangan testified that at Elgin and Harvey the truck drivers pretty much had fixed routes but at University Park they could end up having a variety of routes; that he was the person who decided whether or not to recognize Local 786 at University Park; that the key factors for him in making that decision was whether or not a location was new enough and the mix of people going into that location warranted recognizing or continuing a relationship with the Union that was closest to that facility; that part of the consideration was the projected number of employees to be employed at the new facilities; that it was projected that between 125 and 200 employees would be hired at University Park in a two to two and a half year period and this was a consideration in deciding whether to recognize a union at a newly relocated and opened facility; that the other factors he considered included the "number of locations rolling into a new facility and whether or not we had any clear indication as to the people who would accept positions; that he believes that University Park is 12 to 15 miles from Harvey; that he considered the close proximity of Harvey to University Park in deciding whether to recognize Local 786 at that location; that he was not

aware that most of the employees who worked at the Harvey facility were willing to relocate to the University Park facility; that he was aware that Respondent began soliciting volunteers from amongst the Harvey employees to work at University Park as early as April 1996 but a decision was not made with respect to these employees until within the 120 day period before the University Park facility opened; that he did not believe that the employees at Harvey and Elgin who were interested in working at University Park were reinterviewed; that in November 1996 a decision had already been made that Local 786 would not be recognized at University Park; that in November 1996 he could not specify exactly how many truck drivers and material handlers were going to be working at University Park and he had no idea at that point in time as to the staffing levels; that the earliest that he reviewed documents which show how many of the material handlers or truck drivers at University Park are employees who transferred from Elgin and Harvey was a few days before the hearing herein; that Respondent recognizes the Teamsters Union voluntarily at its new distribution center in Detroit, Michigan; that the job of material handler at University Park is different than at Harvey because at the former the material handler is involved in tracking and the way material is organized; and that he did not know how much training the material handlers at University Park received before they were allowed to begin actually moving materials. Mangan sponsored Respondent's Exhibit 2 which is the employee handbook for University Park. He testified that this handbook was not in effect at the Elgin or Harvey facilities and the old facilities did not have employee handbooks.

Greg Hoyer, who is Respondent's general manager for the millwork portion of the University Park Triad, testified that the millwork portion of Respondent's business involves the sale and delivery of windows, doors, moldings and some specialty products such as columns, porch posts and stair parts; that millwork is sold to retail lumber yards; that there is a millwork specialty center at University Park; that while there was no millwork specialty center at Elgin or Harvey, Elgin did offer interior prehung door units; that whereas at the Elgin and Harvey branches combined, millwork people would have been in the 10 to 15 range, there are 65 millwork employees at the University Park location; that Respondent spent a substantial amount of money at University Park on millwork equipment; that Respondent's Exhibit 3 shows basically the millwork territory covered out of University Park; that the millwork center at University Park employs about 20 individuals who operate yard tractors or yard loaders, lifts or carriers and none of these individuals had been Teamsters at Elgin or Harvey; that these 20 or so employees are represented by Laborers Local Union 681 pursuant to a certification, Joint Exhibit 1, issued after a National Labor Relations Board election; that Local 681 represented a unit of employees at Elgin and Harvey; and that the Laborer's unit certified at University Park is not the same unit that was represented by Laborers Local 681 at Elgin and Harvey in that the University Park unit has much more involvement in fork lift activities that was not represented by the Laborers in the past. On cross-examination Hoyer testified that as far as business goes there is a delineation

between the millwork section and the full-line section and with the millwork section the profit and loss rests at that location; that there is a wall which separates the full-line section from where the millwork is actually performed, the millwork section rents some space from logistics from a staging standpoint but there is a wall and doors that separate the area; that the millwork employees use a separate time clock; that Laborers Local 681 represented about 12 employees at Respondent's Elgin facility when it closed and now Local 681 represents a unit of between 55 and 60 employees working in the millwork section at University Park; that from the inception there was a much larger unit at University Park than Local 681 had represented; that the fork lift drivers who voted in the Laborers election work on the millwork side as opposed to the full-line side; and that the full-line section is also known as logistics.

In January 1997 Zettek completed an application for employment at the University Park Triad. Zettek testified that he was doing the same thing at University Park as he had done at Harvey, except that while at Harvey the area he covered involved south Chicago and extended to Indiana, the area he covers out of University Park includes the Chicago area, Indiana, Wisconsin and Iowa, the territory which was absorbed by University Park when the other facilities shut down; and that he did not receive any additional training for the driving he does out of University Park. On cross-examination Zettek testified that while at Harvey his schedule never diverted from his regular schedule, at University Park he has handled "hot loads" which requires that he start earlier than his normal starting time of 7 a.m.; and that some drivers at University Park start at 8 p.m. and make an overnight transfer to another of Respondent's facilities so that it can be delivered to the customer the next day.

Zettek testified that during the period from January to April or May 1997 he assisted in transporting equipment and inventory from Respondent's facilities located in Harvey, Milwaukee, Wisconsin, and Bloomington and Elgin, Illinois, to the new University Park facility. He was aware that equipment and inventory were also transferred to the University Park facility from Respondent's facilities in Fort Wayne, Indiana, Grand Rapids, Michigan, Indianapolis, Indiana, Madison, Wisconsin, Quad City, Iowa, and Toledo, Ohio.

In late February 1997, according to the testimony of Zettek, his supervisor, Mike Carter, while conducting the normal morning meeting for drivers at University Park answered a question and indicated that "as far as a union member handing out membership cards on the University Park premises ... said just said, like saying, you know, that it wouldn't be permitted, and this came from upper management, that any union representation would not be allowed on Georgia-Pacific premises." On cross-examination Zettek testified that there were 10 drivers present at this meeting; that one of the drivers, identified only as Rodney, wrote what happened at this meeting and the drivers signed the piece of paper; that the piece of paper was given to the Union; and that Carter objected to the passing out of Union membership cards. Carter testified that when he testified herein he had

about 40 truck drivers under his supervision; that in February 1997 he had between 15 and 18 truck drivers under his supervision; that he conducts pre-shift meetings every morning at University Park; that he did not recall making a statement at one of the pre-shift meetings that employees are not permitted to pass out union organizing cards or materials because upper management has said no union would be permitted at University Park; that he never did say anything to the effect that upper management has said that no union would be permitted at University Park; that he told employees that "any conduct outside of work conduct would not be allowed on -- while you were being paid by the company to work. You can do it before your starting time, after of during your lunch break"; that he never made any statements to employees that they were not permitted to discuss the union at work; that he did not recall making any statements to a group of employees under his supervision that they were not permitted to distribute union literature on their break times, lunch hours, before work, after work, or in the facility before or after their shift; that he did not make any comments to employees that they were not permitted to distribute materials during their working time; and that "[w]hile they were on the clock, I told them they weren't allowed to conduct any union -- anything. Football pools, anything that didn't involve work while they're being paid to work." On cross-examination Carter testified that he did use the word "union" in telling the employees what they were prohibited from doing while they were being paid. Subsequently Carter testified that a driver punches in on the time clock when he is scheduled to start work and he punches out on the time clock at the end of the day when all of his paperwork is done; that a driver is on the clock when he punches in in the morning until he punches out at night; and that the driver can be in the lunchroom before or after work off the clock.

In March 1997 Crowley began working at Respondent's University Park facility which is between 12 and 15 miles from the Harvey facility. At University Park Crowley unloads freight and rail cars, stores materials, and picks and loads materials to be delivered to Respondent's customers. Crowley testified that Patton conducted his orientation; that his job duties at University Park are the same as they were at Harvey; that he does not perform additional duties at University Park and he operates the same forklift he operated at the Harvey facility; that he has not received any additional job training since he started working at University Park; that his supervisor at University Park, Carl Aman, previously was a material handler at Elgin; that he received his daily work assignments at Harvey from Rich Palos, who is now a warehouse supervisor at the University Park facility; that there are employees in other job classifications, aside from material handler and truck driver, working inside the University Park Triad; that Laborers Local 681 represents the laborers in the millwork department; that there is a wall with doors which separates the millwork operations and the material handler truck driver operations at University Park Triad; that the employees in the millwork operation do not have the same supervisors as the material handlers; that the Employer does not have a grievance system in place at University Park and it does

not recognize him as steward since his transfer to University Park; that Patton indicated that the seniority accrued while working at the Harvey facility would be credited for purposes of determining the amount of vacation time earned; that Respondent's contributions to health and welfare on his behalf ceased with the relocation to University Park; and that with his relocation to University Park his health coverage and his pension plan changed in that he no longer has the health plan he had at Harvey and at University Park there is a company plan and Respondent no longer contributes to the Teamster pension plan. On cross-examination Crowley testified that neither Ferguson nor his successor, McCafferty, has ever been employed at University Park; that Palos, who was Crowley's supervisor at Harvey, is employed at University Park; that the 8 to 12 salespeople at Harvey are not employed at University Park; that other members of the Harvey management who relocated to University Park include McCubbin, and Bud Bewaldo, who is a warehouse supervisor; that there are five warehouse supervisors at University Park on the full-line or logistics side of the building and he could not say how many there are in the other side of the building; that Respondent did not make any changes in the terms and conditions of employment of the employees at Harvey, while they were working at Harvey; that inventory and equipment were transferred from other of Respondent's facilities to University Park; that University Park is making deliveries to a territory formerly served by Respondent's facility in Madison, Wisconsin; and that deliveries were not made to the Wisconsin area out of Harvey.

By Grievance Report dated March 11, 1997, General Counsel's Exhibit 11(b), Patton denied four grievances, all of which are dated February 19, 1997, General Counsel's Exhibit 11(a), and all from former employees at Respondent's Harvey facility, indicating that there had "been no violation of the intent and spirit of the company-union agreement." All four grievances deal with the pay received by the grievants.

By Grievance Response dated March 25, 1997, General Counsel's Exhibit 11(d), Patton denied eight grievances dealing with overtime, General Counsel's Exhibit 11(c), indicating as follows:

The company has carefully considered the allegations and concluded that no violation of the agreement between Georgia-Pacific Corporation and Teamster Local Union 786 occurred. At the time of the alleged violations the grievants were employees of the Chicago South (Harvey) Distribution Center. The work in question was performed by employees of the University Park Triad at the triad location. The union has no standing at the University Park Triad and as such the work is not covered by the collective bargaining agreement.

On March 12, 1997, representatives of Respondent and the Union met at the offices of Local 786. The Union was represented by Pinelli, Yeager, Leroy Santorro, who is the secretary/treasurer of the Local, and Mazzei. Respondent was represented by Silvas, Patton, and McCubbin, Mazzei testified that the

matters discussed were the same as discussed on December 10, 1996; that the Union again indicated that there was no way that it would disclaim the existing collective bargaining agreement in order to get a closure or relocation agreement; and that Santorro's grievances were resolved in that some of Respondent's employees were to receive some pay in regards to some Saturday work. On cross-examination Mazzei testified that Silvas said at this meeting that Respondent would no longer honor its agreement with Local 786 at University Park.

By letter dated March 25, 1997, General Counsel's Exhibit 6, Local 786 advised Respondent that the existing collective bargaining agreement would continue in full force and effect until May 31, 1997, and that the Union wanted to meet for the purpose of negotiating a new agreement.

In April 1997 Crowley applied for the position of warehouse supervisor at University Park. He testified that he had separate interviews with Patton and McCubbin; that during his interview Patton said that since this was a non-union facility and it was going to stay that way one of the duties of the warehouse supervisor was to prevent the union from getting in; that Patton asked him how he would keep the union out and he told Patton that that would not be one of his responsibilities; that Patton said that he, Crowley, was not quite ready for a supervisory position; and that upon his return in July 1997 from leg surgery he learned that the supervisory positions had been filled. Crowley also testified that Patton was in Respondent's human resources department during the time Crowley worked at Harvey and University Park.

May 10, 1997, was Zettek's first anniversary date with Respondent. He testified that when he was hired at Harvey he was paid \$14.40 an hour and he signed a document which was given to him by Bewaldo which indicated that after the first year he would be full scale at \$15.97 an hour; and that, as noted above, Bewaldo is a supervisor at University Park.

Zettek testified that when he did not start earning \$15.97 on his anniversary date he spoke to Patton one month later or on about June 10, 1997; that Patton said that University Park was a new facility and there was a new pay scale which Patton explained; and that after "getting nowhere with Mr. Patton" he discussed the matter with McCubbin.

Around June 24, 1997, Zettek and driver Rick Higby spoke to McCubbin. Zettek testified that he told McCubbin that he had signed a card which indicated that he should receive full scale after one year and McCubbin said that he agreed but that was not his department and it was Patton's decision.

According to his testimony, in June 1997, about one and one half months after his anniversary, Zettek began receiving \$15.97 an hour and he was paid retroactively to his anniversary date.

Respondent and General Counsel reached the following stipulation:

In July 1997, subsequent to the opening of University Park and subsequent to the dates on which the Georgia-Pacific facilities in Elgin and Harvey, Illinois closed, Laborers Local 681 was elected as Collective Bargaining Representative for a group of employees at University Park. A copy of the NLRB Certification is Joint Exhibit 1, dated August 1, 1997. Some of the employees in that unit were employed at Elgin or Harvey. But the unit defined by the NLRB Certification did not exist at Elgin or Harvey.

Joint Exhibit 2 is a list of employees currently represented by Laborers 681 at University Park.

Joint Exhibit 3 is a list of all hourly employees who have worked at University Park since it opened. Persons no longer employed are designated in the far right hand column with the letter "T" along with the date of their separation.

Contentions

On brief, Counsel for General Counsel contends that it is well established that an existing contract will remain in effect after relocation of the operations at the new facility are substantially the same as those at the old and if transferees from the old plant constitute a substantial percentage (approximately 40 percent or more) of the new plant employee complement, *Harte & Co.*, 278 NLRB 947, 949 (1986); that a proposed mid-term modification of a collective bargaining agreement can be implemented only if the other party's consent is first obtained, *Los Angeles Hardware Co.*, 235 NLRB 720, 735 (1978); that Respondent's relocated operation herein is virtually identical to the involved former operation in every respect relevant to the employees' interest in collective bargaining in that there was no change in ownership, the employees continued to work without interruption, the contractual unit's job structure remained intact, job skills and requirements for unit employees remained unchanged, supervisory and managerial personnel were retained, the transferred employees constituted a representative complement of employees on the full-line/logistics side of the Triad, and the contractual unit remained appropriate in all other respects; that in March 1997 when union member Crowley transferred from the Harvey plant to Respondent's University Park Triad, the Union represented more than 40 percent of Respondent's truck drivers and materials handlers working on the full line/logistics side; that Respondent's transfer of operations from Harvey and Elgin to University Park Triad was substantially concluded by April 1997, and at that time the Union members who transferred from Harvey and Elgin were 28 (of the total of 33 who were represented by Local 786) compared with 31 new hires; that, therefore, the Union represented 47 percent of the employees in the full-line/logistics unit once Respondent became fully operational at University Park Triad; that Article XX of the then existing collective bargaining agreement between Respondent and Local 786 further supports the conclusion that Respondent had a continuing obligation to honor the terms of its collective

bargaining agreement despite the relocation and transfer of its operations; that the material handlers and drivers in the full-line/logistics unit, with only an orientation session, continued to perform the exact job upon their relocation to the Triad; that 14 of the employees listed as Material Handler D in Joint Exhibits 2 and 3 by Respondent are employed on the millwork side of the University Park Triad, they perform a different operation from the material handler employees on the full-line/logistic side, they have separate supervisors, they are separated by a wall in the plant and they are represented by a separate Union, Laborers Local 681; that of the 61 laborers working at University Park Triad 15 are classified in Joint Exhibit 3 under job code titled "Material Handler D"; that the folly of Respondent's position, particularly concerning the employees' pay scale is evidenced by its response to Zettek's complaint, namely giving him, retroactively, the salary called for in the above-described collective bargaining agreement; that Carter threatened approximately 10 drivers during an employee meeting in February 1997 that Respondent would not tolerate any Union activities in its premises; and that an appropriate remedy here would include reimbursements of Respondent's truck drivers and material handlers for all monetary losses in wages, health and welfare contributions and insurance payments since employees began working at Respondent's University Park Triad.

The Union, on brief, argues that Respondent's rationale for repudiating its collective bargaining obligation are factually and legally incorrect in that (1) the bargaining unit did not terminate, it transferred, (2) 28 of Respondent's employees who are union members went to work at Respondent's University Park facility, (3) these 28 employees filled out applications which noted that they would be offered "continuing positions," (4) "they assumed these positions with their seniority dates intact" (Charging Party's brief, page 7); and (5) in *Fall River Dyeing & Finishing Corp. v. NLRB*, 482 U.S. 27 (1987), the Supreme Court affirmed the position that an employer's reliance on employees' rights as a basis to refuse to bargain is not an acceptable basis for such a refusal; that Mangan corroborated the testimony of Zettek and Crowley that the jobs of material handler and truck driver remained virtually unchanged at University Park; that Respondent transferred inventory and equipment from Chicago North and South to University Park; that all that happened here is that an employer moved to a larger facility approximately 12 miles from a "covered" location; that the Board has long required that an existing contract remain in force at a new facility if the transferees from the old plant constitute a substantial percentage (about 40 percent) of the new plant's unit, *Harte & Co.*, supra; that as of April 1, 1997, 28 of the 59 employees (or 47 percent) at University Park were transferees from Chicago North and South; that employees in the millwork operation at University Park are on the other side of the wall, have a separate time clock, separate supervision and no interchange with the unit involved herein; that the Millwork Division at University Park changed in that it was expanded from 10 to 15 employees collectively at Harvey and Elgin up to 65 employees at University Park; that the expansion of that unit, and recognition issues regarding its composition and its election have nothing to

do with the transfer of the 28 Teamsters; that the 20 material handler/fork lift drivers on the millwork side are unrelated to the Teamster material handlers on the logistics side; that the number of employees on the millwork side should not in any way affect the count of employees relevant to the issues of transfer of employees to the logistics/full line side of University Park facility; that Mangan testified that he made the decision to repudiate the contract with the Union without knowledge of the number of employees who would be transferring and no consideration of Respondent's contractual obligation created by Article XX of the involved collective bargaining agreement; that if Respondent argues on brief that the Local 786 complement at University Park was insufficient to support the application of the contract, it will be the first time that this argument has been raised since it was not included or even mentioned in Respondent's November 5, 1996, letter and such omission undoubtedly occurred as the Respondent failed to even consider the well-established labor law principles supporting the complaint; that Respondent decided to repudiate the involved collective bargaining agreement despite the applicable law and the facts; that it is not refuted that Ferguson told Crowley that the contract would cover the University Park facility and McCubbin in March 1996 indicated that the employees at the Chicago South facility were already at the Triad; that Respondent knowingly ignored its responsibilities because in November 1996 when Mangan repudiated the contract the applications for University Park were completed and Respondent knew the number of employees who sought to transfer; that Respondent attempted to extinguish its duty by conditioning all severance benefits on the Union's acquiescence to Respondent's actions in a closure agreement; that Carter told 10 drivers in February 1997 that union activities were not allowed on the premises of the University Park facility; that this statement was made even though employees were free to remain on the premises and socialize in the lunchroom; and that Crowley's testimony that Patton told him that it was the duty of University Park supervisors to keep the Union out is uncontradicted.

Respondent, on brief, argues that it has no duty to bargain with the Charging Party at University Park; that as indicated in *Harte & Co.*, supra, the General Counsel must prove that (1) the operations at the new facility are substantially the same as those at the old and (2) transferees from the old location constitute a substantial percentage (approximately 40 percent or more) of the employee complement at the new location when the relocation process is substantially concluded; that the University Park Super Triad is a new operation, not a "mere relocation" of the Company's Harvey and Elgin branches; that where a company has reorganized its business by (1) combining nine facilities in five states into a single operation with new management, (2) integrating previously segregated lines of businesses, (3) hiring a substantial number of new employees, and (4) centralizing sales, billing, procurement, inventory management and product development; that the management of the Super Triad is almost entirely new, as the management and other salaried personnel previously at Elgin and Harvey are virtually all gone; that the wages, benefits, and other terms of employment

covering Super Triad employees are substantially different from those at Elgin and Harvey; that Elgin and Harvey employees make up less than one-fifth of the Super Triad's hourly workforce; that the Super Triad integrates previously distinct business lines -- full-line building products distribution and a Millwork Specialty Center; that there was not a Millwork Specialty Center in either Elgin or Harvey; that the result reached in General Electric Co., 170 NLRB 1272 (1968) should apply here since there are significant changes in the nature of the operations as compared to those in Elgin and Harvey; that transferees from Elgin and Harvey comprise a small percentage of the employees at University Park in that University Park has 125 employees and it hired 18 from Harvey and 9 from Elgin; that all employees at University Park, including those who elected Laborers Local 681 at University Park to represent them, should be counted; that Local 681 represents a broader range of job classes at University Park than at Elgin or Harvey in that at University Park, unlike Elgin or Harvey, about one-third of the employees in the Laborers unit are yard lift operators; that the organizing drive which the Charging Party commenced in February 1997 at University Park was inconsistent with the position of General Counsel herein; that Article XX of the involved collective bargaining agreement applies only to situations involving the change of ownership from Respondent to another entity; that even assuming that Article XX applies to internal company relocations, the issue in this case would still be whether the Elgin and Harvey branches were in fact relocated to University Park, or whether University Park is a new operation; and that Respondent's no solicitation rule is lawful since it banned union solicitation on working time, but not during breaks, lunch, and before and after work.

Analysis

As pointed out by the Board in *Harte & Co.*, 278 NLRB 947 (1986):

In relocation cases such as this one, our task is to distinguish situations where the new facility is basically the same operation, simply removed to a new site, from those where the new facility is somehow a different operation from the original. In the former case, a collective-bargaining agreement in effect at the old location is logically applied at the new one. In the latter, the old agreement has no place at the new facility. Given the complexity of modern business transactions, the determination of exactly what relationship the new plant bears to the old is not always easy to make. Nonetheless, we have developed standards in our contract-bar and failure-to-bargain cases to determine when there is a sufficient continuity of operations to justify applying an existing agreement to a new location. These cases hold that an existing contract will remain in effect after a relocation if the operations at the new facility are substantially the same as those at the old and if transferees from the old plant constitute a substantial percentage - approximately 40 percent or more - of the new plant employee complement. *Westwood Import Co.*, 251 NLRB 1213, 1214 (1980), *enfd.* 681 F.2d 664 (9th Cir. 1982);

General Extrusion Co., 121 NLRB 1165, 1167-1168 (1958). See also Marine Optical, 255 NLRB 1241, 1245 (1981), enfd. 671 F.2d 11 (1st Cir. 1982).

* * * * *

While none of our previous relocation decisions have explicitly addressed the appropriate point in time for measuring whether a substantial percentage of the new work force is composed of transferees from the old location, in each case where we have found that the contract remained in effect at the new location, transferees constituted a substantial percentage of the new work force on the date that the transfer process was substantially completed.

* * * * *

We recognize that in any relocation situation answering the question whether the union representing the employees at the former location should continue to represent the workers at the new location involves balancing the newly hired employees' interest in choosing whether or not to have union representation against the transferees' interest in retaining the fruits of their collective activity.

In General Extrusion Company, Inc., supra, the Board indicated as follows:

... present Board policy concerning the effect of changed circumstances upon the operation of contracts as bars has not been revised in any material sense. Thus, we shall adhere to the rule that a contract does not bar an election if changes have occurred in the nature as distinguished from the size of the operations between the execution of the contract and the filing of the petition, involving ... a merger of two or more operations resulting in creation of an entirely new operation with major personnel changes However, a mere relocation of operations accompanied by a transfer of a considerable proportion of the employees to another plant, without an accompanying change in the character of the jobs and the functions of the employees in the contract unit, does not remove a contract as a bar. [Footnotes omitted]

The involved collective bargaining agreement, General Counsel's Exhibit 2, should have remained in effect when the operations at the involved Elgin and Harvey facilities were moved to the involved University Park facility. Respondent's pertinent operations at University Park are substantially the same as its operations at Elgin and Harvey as far as the involved employees are concerned. Over 80 percent of the employees in the involved units at Elgin and Harvey transferred to University Park. There was no real "change in the character of the jobs and the functions of the employees in the contract unit." Almost all of the equipment and inventory from Elgin and Harvey was moved to University Park. If the employees on the millwork side of the University Park facility are not considered, and they should not

be considered, the former Elgin and Harvey employees constituted more than 40 percent of the University Park complement on the full-line logistics side on the date the transfer process was substantially complete.

Respondent argues that the employees on the millwork side should be counted. Respondent, however, created the millwork portion of the University Park facility as a separate and distinct operation. Employees on the full-line logistics side do not interchange with employees on the millwork side. The areas are physically separated by a wall. Those who work on the millwork side of the University Park facility have their own supervisors, their own time clock, and their own union. As the general manager of the millwork side, Hoyer, testified, there is a delineation between the millwork section and the full-line section and with the millwork section the profit and loss rests at that location. Also as noted above, Hoyer testified that the millwork section rents some space from logistics from a staging standpoint but there is a wall and doors which separates the area. While Respondent may want to have only one union at University Park, what Respondent wants is not controlling. There were two unions at Harvey. There were two unions at Elgin. Local 681's situation is not the same as Local 786's situation in that the size and scope of the millwork operation dramatically changed from what previously existed at Elgin and Harvey. But again, at University Park the millwork and the full-line logistics are separate and distinct.

In view of the fact that this was a transfer of operations from Elgin and Harvey to University Park it appears that Article XX of the involved collective bargaining agreement applies to the situation at hand.

The involved collective bargaining agreement remained in effect at University Park. Nonetheless, Respondent unilaterally implemented changes in terms and conditions of employment of the involved unit at University Park. Respondent now cites these unlawful unilateral modifications as changes which assertedly would justify its refusal to recognize and bargain with Local 786 as the exclusive collective bargaining representative of the involved unit at University Park. The involved changes will only be considered in terms of the fact that Respondent engaged in unlawful conduct.

Respondent violated the Act as alleged in that (1) since on or about November 5, 1996, Respondent has failed and refused to recognize and bargain with the Union as the exclusive collective bargaining representative of the involved unit, and Respondent failed to continue in effect all the terms and conditions of the involved collective bargaining agreement by repudiating the agreement, and (2) since on or about November 15, 1996, and continuously thereafter Respondent implemented various changes in terms and conditions of employment for unit employees.

Paragraph 5 of the complaint alleges that about the end of February, 1997 or the beginning of March, 1997, Respondent, by its agent Mike Carter, at Respondent's facility, orally

promulgated and since then has maintained a rule prohibiting employees from discussing the Union, distributing union literature, or engaging in any union activities at any time on company premises, and subjecting employees to unspecified discipline for violations of said rule. As noted above, the only evidence put on by General Counsel and the Charging Party is Zettek's testimony that Carter said "as far as a union member handing out membership cards on the University Park premises ... said just said, like saying, you know, that it wouldn't be permitted, and this came from upper management, that any union representation would not be allowed on Georgia-Pacific premises." There is no specific evidence with respect to Carter prohibiting employees from discussing the union and Carter denies doing this. His denial is credited. Respondent points out that it voluntarily recognized a Teamster local at its new bulk distribution center in Detroit, Michigan and Harrington said that there should be only one union at University Park. But Respondent did not deny through Patton that Patton told Crowley that one of the duties of the warehouse supervisor at University Park was to prevent the union from getting in. Carter testified that he did tell employees what they were prohibited from doing while they were being paid and he conceded that he did use the word "union" in telling the employees what they were prohibited from doing while they were being paid. Carter testified that he also referred to football pools and indicated that they, the employees, should not do anything that did not involve work while they were being paid to work. Zettek's uncorroborated testimony on this point, viz., "said just said, like saying, you know" lacks the specificity that one would like to have before concluding that a respondent violated the Act in this manner. And Zettek did not testify on rebuttal to deny that Carter told employees that they could engage in non-work conduct before their starting time, after, or during lunch break. In these circumstances, it has not been shown, in my opinion, that Respondent through Carter violated the Act as alleged in this paragraph of the complaint. *Our Way, Inc.*, 268 NLRB 394 (1983). This portion of the complaint will be dismissed.

Conclusions of Law

1. The Respondent is an employer engaged in commerce within the meaning of Sections 2(2), (6) and (7) of the Act.
2. The Union is a labor organization within the meaning of Section 2(5) of the Act.
3. The Respondent violated Section 8(a)(1) and (5) of the Act by since on or about November 5, 1996, failing and refusing to recognize and bargain with the Union as the exclusive collective bargaining representative of the involved unit, and failing to continue in effect all the terms and conditions of the involved collective bargaining agreement by repudiating the agreement, and by since on or about November 15, 1996, and continuously thereafter implementing various changes in terms and conditions of employment for unit employees.
4. The aforesaid unfair labor practices are unfair labor

practices affecting commerce within the meaning of Section 2(6) and (7) of the Act.

5. Except as found herein, Respondent otherwise is not shown to have engaged in conduct violative of the Act as alleged in the complaint.

Remedy

Having found that Respondent engaged in certain unfair labor practices, I shall recommend that it be ordered to cease and desist therefrom and that it take certain affirmative action set forth below to effectuate the policies of the Act.

Having found that Respondent has made unilateral changes in certain terms and conditions of employment in violation of Section 8(a)(1) and (5) of the Act, I recommend that Respondent revoke, upon request, said unilateral changes. Also, I recommend that Respondent be ordered to make whole its employees for any loss they might have suffered as a result of Respondent's unlawful implementation on November 15, 1996, with interest as authorized in *New Horizons for the Retarded, Inc.*, 283 NLRB 1173 (1987). The recommended Order will also provide that Respondent bargain in good faith with the Union as the exclusive collective bargaining representative of the above-described unit.

Upon the foregoing findings of fact, conclusions of law, and the entire record and pursuant to Section 10(c) of the Act, I hereby issue the following recommended:

ORDER

The Respondent, Georgia-Pacific Corporation, its officers, agents, successors and assigns, shall:

1. Cease and desist from:

(a) Failing and refusing to recognize and bargain with the Union as the exclusive collective bargaining representative of the following unit:

All truck drivers and drivers operating delivery vehicles equipped with mechanical loading and unloading devices and truck drivers and drivers operating yard tractors, yard loaders, lifts or carriers, and yard cranes used wholly within the confines of Respondent's premises and engaged in the delivery, loading and unloading of lumber, lumber products, mill work, trim and building materials from yards, team tracks, or mills owned and/or operated by the Respondent, or from any other point designated by the Respondent, to individuals, companies or corporations, and all construction sites, or any other place, as directed by the Respondent, employed by the Respondent at Respondent's facility currently located in University Park, Illinois, but excluding all office clerical employees, guards, and supervisors as defined in the Act.

(b) Failing to continue in effect all the terms and conditions of the involved collective bargaining agreement by repudiating the agreement.

(c) Implementing various changes in terms and conditions of employment for unit employees.

(d) In any like or related manner interfering with, restraining or coercing employees in the exercise of the rights guaranteed them by Section 7 of the Act.

2. Take the following affirmative action necessary to effectuate the policies of the Act:

(a) On request, bargain in good faith with the Union as the exclusive representative of all employees in the above-described unit, and if an understanding is reached, embody such understanding in signed contracts.

(b) On request, rescind any and all unilateral changes the Respondent has made in the terms and conditions of employment of the employees in the involved unit.

(c) Within 14 days of the date of this Order make whole the employees in the involved unit, with interest, for any loss they may have suffered by Respondent's unlawful refusal to apply the terms and conditions of employment as set forth in the collective bargaining agreement which expired May 31, 1997, until such time as Respondent bargains in good faith to impasse or enters into a collective bargaining agreement.

(d) Preserve and, within 14 days of a request, make available to the Board or its agents for examination and copying, all payroll records, social security payment records, timecards, personnel records and reports, and all other records necessary to analyze the amount of backpay due under the terms of this Order.

(e) Within 14 days after service by the Region, post at its University Park, Illinois facility the attached notice marked "Appendix." Copies of the notice, on forms provided by the Regional Director for Region 13, after being signed by the Respondent's authorized representative, shall be posted by the Respondent and maintained for 60 consecutive days in conspicuous places including all places where notices to employees are customarily posted. Reasonable steps shall be taken by the Respondent to ensure that the notice is not altered, defaced, or covered by any other material. In the event that, during the pendency of this proceeding, the Respondent has gone out of business or closed the facility involved in this proceeding, the Respondent shall duplicate and mail, at its own expense, a copy of the notice to all current employees and former employees employed by the Respondent in the involved unit at any time since November 5, 1996.

(f) Within 21 days after service by the Region, file with the Regional Director a sworn certification of a responsible official on a form provided by the Region attesting to the steps

that the Respondent has taken to comply.

IT IS FURTHER ORDERED that the complaint is dismissed insofar as it alleges violations of the Act not specifically found.

Dated, Washington, D.C. February 26, 1998.

John H. West

Administrative Law Judge

APPENDIX

NOTICE TO EMPLOYEES

Posted by Order of the
National Labor Relations Board
An Agency of the United States Government

The National Labor Relations Board has found that we violated the National Labor Relations Act and has ordered us to post and abide by this notice.

WE WILL NOT fail and refuse to recognize and bargain with
BUILDING MATERIAL, LUMBER, BOX SHAVING, ROOFING AND INSULATING
CHAUFFEURS, TEAMSTERS, WAREHOUSEMEN AND HELPERS, AND RELATED

INDUSTRY EMPLOYEES UNION LOCAL 786 as the exclusive collective bargaining representative of the following unit:

All truck drivers and drivers operating delivery vehicles equipped with mechanical loading and unloading devices and truck drivers and drivers operating yard tractors, yard loaders, lifts or carriers, and yard cranes used wholly within the confines of Respondent's premises and engaged in the delivery, loading and unloading of lumber, lumber products, mill work, trim and building materials from yards, team tracks, or mills owned and/or operated by the Respondent, or from any other point designated by the Respondent, to individuals, companies or corporations, and all construction sites, or any other place, as directed by the Respondent, employed by the Respondent at Respondent's facility currently located in University Park, Illinois, but excluding all office clerical employees, guards, and supervisors as defined in the Act.

WE WILL NOT fail to continue in effect the terms and conditions of the involved collective bargaining agreement.

WE WILL NOT unilaterally implement various changes in terms and conditions of employment for unit employees.

WE WILL NOT in any like or related manner interfere with, restrain or coerce you in the exercise of the rights guaranteed you by Section 7 of the Act.

WE WILL on request, bargain in good faith with BUILDING MATERIAL, LUMBER, BOX SHAVING, ROOFING AND INSULATING CHAUFFEURS, TEAMSTERS, WAREHOUSEMEN AND HELPERS, AND RELATED INDUSTRY EMPLOYEES UNION LOCAL 786 as the exclusive representative of all employees in the above-described unit, and if an understanding is reached, embody such understanding in a signed contract.

WE WILL on request, rescind any and all unilateral changes that we have made in the terms and conditions of employment of the employees in the involved unit.

WE WILL make you whole, with interest, for any loss you may have suffered by our unlawful refusal to apply the terms and conditions of employment as set forth in the collective bargaining agreement which expired May 31, 1997, until such time as we bargain in good faith to impasse or enter into a collective bargaining agreement.

GEORGIA-PACIFIC CORPORATION

Dated _____ By _____

(Representative) (Title)

This is an official notice and must not be defaced by anyone.

This notice must remain posted for 60 consecutive days from the date of posting and must not be altered, defaced, or covered with any other material. Any questions concerning this notice or compliance with its provisions may be directed to the Board's Office, 200 West Adams Street, Suite 800, Chicago, Il 60606-5208, Telephone 312-353-

7589.